

Consolidated Financial Statements

DEPARTMENT OF VETERANS AFFAIRS

CONSOLIDATED BALANCE SHEETS (DOLLARS IN MILLIONS)

AS OF SEPTEMBER 30,

| | 2004 | 2003 |
|--|------------------|------------------|
| ASSETS | | |
| INTRAGOVERNMENTAL | | |
| Fund Balance with Treasury (Note 3) | \$ 16,741 | \$ 17,795 |
| Investments (Note 5) | 13,643 | 13,941 |
| Accounts Receivable, Net (Note 6) | 132 | 196 |
| Other Assets | 122 | 96 |
| TOTAL INTRAGOVERNMENTAL ASSETS | 30,638 | 32,028 |
| PUBLIC | | |
| Investments (Note 5) | 184 | 201 |
| Accounts Receivable, Net (Note 6) | 887 | 859 |
| Loans Receivable, Net (Note 7) | 2,954 | 4,655 |
| Cash (Note 4) | 68 | 41 |
| Inventories (Note 8) | 69 | 73 |
| General Property, Plant and Equipment, Net (Note 9) | 11,215 | 10,949 |
| Other Assets | 56 | 29 |
| TOTAL PUBLIC ASSETS | 15,433 | 16,807 |
| TOTAL ASSETS | \$ 46,071 | \$ 48,835 |
| LIABILITIES | | |
| INTRAGOVERNMENTAL | | |
| Accounts Payable | \$ 72 | \$ 61 |
| Debt | 2,618 | 2,854 |
| Other Liabilities (Note 13) | 2,134 | 3,506 |
| TOTAL INTRAGOVERNMENTAL LIABILITIES | 4,824 | 6,421 |
| PUBLIC | | |
| Accounts Payable | 3,003 | 2,907 |
| Liabilities for Loan Guarantees (Note 7) | 4,740 | 4,756 |
| Federal Employee and Veterans Benefits Liability (Note 11) | 926,553 | 956,688 |
| Environmental and Disposal Liabilities (Note 12) | 339 | 375 |
| Insurance Liabilities (Note 15) | 12,291 | 12,640 |
| Other Liabilities (Note 13) | 7,047 | 6,309 |
| TOTAL PUBLIC LIABILITIES | 953,973 | 983,675 |
| TOTAL LIABILITIES | 958,797 | 990,096 |
| NET POSITION | | |
| Unexpended Appropriations | 2,642 | 4,233 |
| Cumulative Results of Operations | (915,368) | (945,494) |
| TOTAL NET POSITION | (912,726) | (941,261) |
| TOTAL LIABILITIES AND NET POSITION | \$ 46,071 | \$ 48,835 |

The accompanying Notes are an integral part of these financial statements.